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C O N F I D E N T I A L SECTION 01 OF 02 OTTAWA 001216

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TAGS: [PGOV](#) [PREL](#) [CA](#)

SUBJECT: CANADIAN FEDERAL ELECTION: IMPLICATIONS FOR THE
U.S.

REF: A. OTTAWA 1177

[1](#)B. OTTAWA 1171

[1](#)C. OTTAWA 632

Classified By: PolMinCouns Scott Bellard, reason 1.4 (d)

[1](#)1. (C) Summary. The most likely outcome of the October 14 Canadian federal election is another Conservative victory, with the real question being whether Prime Minister Harper's party wins only a stronger minority or an actual majority. Neither result would likely cause any significant shift of course of any concern to the U.S., with Canada sure to remain a strong partner in NATO, NORAD, the G-8, and other multilateral fora, as well as a fellow proponent of democracy and better governance worldwide. Even in the unlikely event of a Liberal upset, Canada's bilateral and global interests will continue to dictate strong cooperation and coordination with the U.S. End Summary.

[1](#)2. (C) The 2008 Canadian federal election campaign will kick off in earnest on September 22, the deadline for the nomination of official candidates for each "riding" (district) nationwide. Conservative Prime Minister Stephen Harper, Liberal Party leader Stephane Dion, New Democratic Party leader Jack Layton, Bloc Quebecois leader Gilles Duceppe, and Green Party leader Elizabeth May are already hard at work on the stumps, with polls showing sometimes quite divergent results. The polls are apt to go up and down until the actual election on October 14, particularly in the wake of worrisome economic news from the U.S. as well as the outcomes of the French language debate among party leaders on October 1 and English language debate on October 2.

[1](#)3. (C) At this point, all signs suggest that the Conservatives will return to power to form the next government, and the serious betting is principally on how many additional seats the Conservatives may pick up (they held 127 out of 308 in the previous House). Best bets for the Conservatives to pick up additional seats are in rural Quebec, rural and suburban Ontario, and British Columbia. While PM Harper has publicly expressed doubt at the Conservatives' chances of winning an actual majority, this now seems genuinely within the realm of possibility, if not yet actual likelihood. The growing appeal of the Green Party (whose leader will, for the first time, be included in the debates) and surprising nationwide appeal of NDP leader Layton (scoring well above Dion in most polls as a potential Prime Minister) will probably add to the Liberals' organizational and leadership woes, while the Bloc's inept performance so far likely will help the Conservatives in Quebec. The Conservatives likely will continue to fare poorly in Toronto and Montreal, but could well break through urban antipathy to them by picking up a seat (or more) in Vancouver.

[1](#)4. (C) Clearly, we can expect the elections overall to be free and fair, despite some continued mudslinging about alleged spending abuses (the still unresolved "in and out

scandal" from the 2006 Conservative campaign). In the absence of a genuine driving issue that in normal times would have forced the government to fall (voters are not buying PM Harper's "Parliament has become dysfunctional" rationale for bringing down his own government), voter turnout will likely be below the range in the previous three elections of between 60-64 pct of registered voters (already well below historical norms of over 70 pct turnouts). The economy and the environment are important issues for many voters, but they have not sparked true voter passion. Nor have the parties. Qhave not sparked true voter passion. Nor have the parties been able successfully to delineate clear policy distinctions among them on these issues; most observers would agree that the Liberals' "Green Shift" aka "carbon tax" policy has failed entirely to resonate with the public, few of whom can grasp just what Dion is talking about.

15. (C) Essentially, the race will boil down to public perceptions of leadership abilities, which is exactly the issue the Conservatives have wished to run on all along (ref c). The Conservatives have recently worked hard to present a warmer and fuzzier Stephen Harper to the public to enhance his appeal, especially to female voters, with some success. Nationwide, he already outpolls by far the leaders of all other parties. As long as he does not stumble -- which Harper never does -- and barring some unexpected catastrophe, the election is the Conservatives' to win. Even the economic news from across the border and fears of implications for Canada's economy probably help the Conservatives more than the Liberals, who have not inspired any confidence that they would be better able to steer the economy more safely in scary times.

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16. (C) If the Conservatives return to power again in minority status, the government is essentially back to square one, with not much new left on its legislative agenda. Canada's next government will remain our firm partner in NATO -- with combat troops in Afghanistan, at least until 2011 -- as well as in NORAD, the G-8, the OAS, and other multilateral organizations, as well as a generous donor in Afghanistan, Haiti, Sudan, Iraq, and other countries of concern to the U.S. Canada will continue to enhance its military capabilities, including projection of power throughout the Arctic, but likely will be more gun-shy about new peace-making (versus peacekeeping) roles -- even in the NATO or UN context -- post-2011. Canada will also continue to work with us and other key allies to promote democracy, human rights, and better governance worldwide.

17. (C) However, a new minority government would be no more stable than the Conservatives have been over the past two years, and so would by necessity continuously be looking over its shoulders at the opposition parties in the Commons in fear of losing a confidence vote. If the Liberals discard the unpopular Dion after a poor showing in the 2008 election, a new Liberal Party leader might actually be inclined to topple the new government sooner rather than later, finances permitting. There would be virtually no chance of a new Conservative minority government surviving the fixed four year term, which this government arguably could have done, until October 2009.

18. (C) If the Conservatives win an actual majority, nothing suggests that they would in any significant way change course on any issue of concern to the U.S. They still have some minor law-and-order bills to pass, plus an update of the 2001 Anti-terrorism legislation but have pretty much accomplished most of what they wanted. They might be more inclined to push through the copyright legislation that the U.S. has long sought, but this is apparently not a big priority for the Conservatives. The one legislative area where the Conservatives have failed in their minority status to live up to their earlier campaign promises is on Senate reform, which is of some interest to their western constituents but not

many others (and faces opposition in much of Quebec), while the Liberal-controlled Senate is unlikely to go down without a fight. A majority might also embolden the Conservatives to take a more assertive tone on the Arctic, which could lead to some increase in bilateral tension. However, on the whole, Canadian interests and the expense of backing up a more assertive posture seem likely to keep Canadian Arctic policy initiatives roughly in line with our own interests, our disagreement over the status of the Northwest Passage notwithstanding.

¶9. (C) Politics being politics, a Liberal upset victory is not impossible, albeit unlikely. Canada under a Prime Minister Dion might invest more in environmental protection and domestic social spending, while nonetheless maintaining its bilateral and multilateral partnerships. The Liberals, having supported the March 2008 Commons' motion endorsing the role of the Canadian Forces in Kandahar through 2011, would in particular be unlikely to back out of this commitment once in power, while perhaps holding even more firmly to a fixed departure date than the Conservatives. A Liberal government might spread international assistance more broadly rather than the Conservatives' more targeted approach, but would also still champion multilateral approaches as well as the primacy of democracy and human rights.

¶10. (C) Overall, Canadian bilateral and global interests under any foreseeable new government will continue to dictate strong cooperation and coordination with the U.S. We can watch this election without anxiety.

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